S. HRG. 100-357

TESTIMONY OF ROBERT W. PAGE

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

TO RECEIVE TESTIMONY FROM ROBERT W. PAGE, NOMINATED TO BE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

DECEMBER 1, 1987

Printed for the use of the
Committee on Environment and Public Works

U.S. GOVERNMENT PRINTING OFFICE

80-567 WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

S321-18

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TESTIMONY OF ROBERT W. PAGE

TUESDAY, DECEMBER 1, 1987

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 10:19 a.m., in room 406, Dirksen Senate Office Building, Hon. Quentin N. Burdick (chairman of the committee) presiding.

Present: Senators Burdick, Durenberger, Breaux, Chafee, and Pressler.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. The committee will come to order.

Good morning. Today the full Committee on Environment and Public Works meets to receive testimony from Robert W. Page, nominated by President Reagan to the important position of Assistant Secretary of the Army for Civil Works. I would like to welcome him and his wife, who is here this morning, to the committee.

Mr. Page will be managing and administering the entire Civil Works Program of the Army Corps of Engineers. This is a crucial responsibility at this point in time.

With the enactment of the Water Resources Development Act of 1986, the Corps of Engineers is now in the process of implementing extensive policy changes in the funding of water projects. The Corps is having to develop an expertise which it has never had before, that of coordinating with local sponsors.

With non-Federal parties paying for up to 50 percent of the costs of planning and implementing water projects, they understandably expect to play a significant role in the development of those projects. The Corps of Engineers is no longer the principal driving force in federally-constructed water projects.

The Corps has been doing very well in adjusting to the mandate of Public Law 99-662. The role of Assistant Secretary of the Army is very important to the Corps' continuing efforts. It is my hope that Mr. Page will continue the good work which has been started by Bob Dawson and continued by John Doyle.

Since the nomination of Mr. Page is voted on by the Armed Services Committee, our hearing is for informational purposes only. This committee has traditionally held informational hearings on the Assistant Secretary of the Army for Civil Works because we have jurisdiction over the programs administered by that office.

I welcome you and look forward to your statement.

At the request of Senator Stafford I ask unanimous consent at this time that his statement be placed in the record.

[Senator Stafford's statement follows:]

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Mr. Chairman, I would like to join with you in welcoming Mr. Page here today.

The Committee on Environment and Public Works has jurisdiction over the Civil Works program of the Corps of Engineers, and it is the Assistant Secretary of the Army for Civil Works that has primary responsibility for administering that critically important program.

With the possible exception of the Environmental Protection Agency, the Corps of Engineers has a more profound effect on the quality and nature of this Nation's waters than any other Federal agency.

The Corps' duties in two areas are key to their powerful effect on the Nation's waters: their water resources development program and their critically important role in the administration of Section 404 of the Clean Water Act.

In the past, the Corps' water resources development program has come under attack for both environmental and economic reasons.

In order to put the Corps on a more sound environmental and economic footing, this Committee worked for years to implement major reforms in the way the Corps plans, pays for, and builds water resources projects.

Last Congress, with the passage of the Water Resources Development Act of 1986, new cost sharing, user fee, and environmental reforms finally became law. This Committee is proud of the new direction these reforms have given to the Corps and we expect the new Assistant Secretary of the Army for Civil Works to work closely with us in their implementation.

The regulatory program of the Corps of Engineers is a key link in the chain of Federal protection for our Nation's waters. Most important in this regard is the Corps' partnership with EPA and other Federal agencies in the administration of Section 404 of the Clean Water Act.

There has been and may still remain a great deal of dissatisfaction with the Corps' administration of Section 404.

It is clear that Congress intended and still intends that Section 404 be the major tool for the protection of the Nation's precious wetland areas. It follows then, that in carrying out its responsibilities under that law, the Corps must put the protection of wetlands first and the expedient issuance of permits second. Unfortunately, it is clear that to date, the Corps may not yet completely understand this ordering of priorities.

We look for and expect the new Assistant Secretary to work aggressively to protect this Nation's waters.

Having said these things Mr. Chairman, I would like to point out that Mr. Page has a very distinguished background. While his experience is not directly related to the responsibilities he would face as Assistant Secretary, his past record indicates a great ability to learn and to lead. I would like to welcome him here today and I look forward to his testimony.

Senator BURDICK. Do you have an opening statement, Senator Breaux?

Senator BREAUX. No, sir, thank you.

Senator BURDICK. Senator Durenberger?

Senator DURENBERGER. No, thank you, Mr. Chairman.

Senator BURDICK. Mr. Chafee, would you like to introduce the witness?

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. Thank you, Mr. Chairman and members of the committee.

I am pleased to be able to introduce to you today Mr. Robert W. Page, who is the President's nominee for Assistant Secretary of the Army for Civil Works.

As members of this committee well know, the Civil Works Program of the Corps of Engineers is a big one. It is complex and it is frequently the subject of much controversy. With the passage last year of the Water Resources Development Act, the Corps of Engineers—as you pointed out, Mr. Chairman—is entering a new age. The new cost-sharing, which must be worked out, the user fees, and the environmental reforms in that law are bringing about profound changes in the Corps' traditional way of doing business.

If confirmed, Mr. Page will be inheriting leadership of the Corps at this important crossroads. I believe and am confident that he brings with him important qualifications for the job.

First and foremost, he has had a very distinguished career in what is commonly accorded to be one of the toughest businesses in America, the construction industry. Most notably, he served for several years as chairman and chief executive officer of the largest construction company in the world. Many of the personal and intellectual qualities that made him a success in the construction industry will undoubtedly serve him well in his role as Assistant Secretary.

Second, I have met with Mr. Page and can attest to the fact that he's a man of intelligence and character. I believe that he will be able to provide the Corps of Engineers with the vision and the leadership that it needs in these very challenging times.

Finally, I have got to attest to the excellent good judgment that Mr. Page has in that he maintains a residence in the State of Rhode Island.

So with those high qualifications, Mr. Chairman, I heartily recommend him to you and to this committee, and I will now step aside and let Mr. Page speak for himself.

Thank you, Mr. Chairman.

Senator BURDICK. Thank you very much, Senator Chafee.

Mr. Page, would you like to defend yourself?

STATEMENT OF ROBERT W. PAGE, NOMINEE TO BE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

Mr. PAGE. I don't know where to start, Mr. Chairman. With your indulgence, I have prepared a brief statement which I would like to give you for the record.

Senator BURDICK. Without objection, it will be received in full.

Mr. PAGE. Thank you, sir.

I will speak briefly from that statement which I believe is self-explanatory.

I have had the good fortune over the last few weeks to meet with several of the Senators on this committee individually, and their staffs, and it has been an eye-opener for me, one which I have been excited about. My wife Nancy, sitting behind me, can attest that I've come home each night telling her about these meetings.

I've learned a great deal, I think, more from the meetings with the Senators than by reading material that's been given to me. I've learned the sensitivities, and the sensitive general issues that I will encounter, and what's expected of me in this job if I'm to be confirmed. I think most importantly I have grasped the need for and the importance to communicate—and that I should be available to

you, which I will be. One cannot operate unilaterally in this position or any other position in this Government and be successful to achieve the end.

So I look forward to the challenge, and I hope that I can serve as is expected of me, to this end. I will do the best that I can. I don't believe you could ask for more.

Thank you, sir.

[Mr. Page's statement follows:]

STATEMENT

OF

MR. ROBERT W. PAGE

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

DECEMBER 1, 1987

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM HONORED TO APPEAR BEFORE YOU TODAY AS THE ADMINISTRATION'S NOMINEE TO BE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

I WELCOME THIS OPPORTUNITY TO MEET WITH YOU PUBLICLY. I HAVE MET WITH MANY OF YOU PRIVATELY WHICH WAS A REWARDING EXPERIENCE.

MR. CHAIRMAN IF I MAY, FOR THE RECORD, PRESENT YOU WITH A BRIEF OPENING STATEMENT, AND WITH YOUR AND MEMBER'S OF THE COMMITTEE INDULGENCE, SPEAK BRIEFLY FROM THIS WRITTEN STATEMENT.

FIRSTLY, I SHALL GIVE YOU A SYNOPSIS OF MY PERSONAL BACKGROUND SO THAT YOU MAY BE BETTER INFORMED AS TO HOW TO ASSESS MY ABILITY, AND OF COURSE, TO KNOW A LITTLE MORE ABOUT ME PERSONALLY. I WAS BORN IN DALLAS, TEXAS, JANUARY 1927. I ATTENDED AND GRADUATED FROM TEXAS A&M WITH A B.S. ENGINEERING DEGREE. I SERVED IN THE U.S. NAVY IN THE PACIFIC THEATRE IN WORLD WAR II.

FOLLOWING MY GRADUATION FROM TEXAS A&M, I WAS RECRUITED AND SERVED SLIGHTLY OVER TWO YEARS WITH THE THEN NEWLY FORMED CENTRAL INTELLIGENCE AGENCY. DURING THAT TENURE, I WAS TRAINED IN THE UNITED STATES, THEN SERVED IN IRAN DURING A DECISIVE PERIOD. THIS TOUR STIMULATED MY INTEREST IN THE MIDDLE EAST.

IT WAS IN IRAN WHERE I MET MY WIFE, WHO WAS BORN IN DETROIT AND GREW UP IN SWAMPSCUT, MASSACHUSETTS. WE WERE MARRIED IN 1952 AND RETURNED TO THE MIDDLE EAST, WHERE I TAUGHT AT THE AMERICAN UNIVERSITY OF BEIRUT, SERVED WITH THE ARABIAN AMERICAN OIL COMPANY AND THE BETCHEL CORPORATION.

THIS CONSTITUTED APPROXIMATELY FOURTEEN CONSECUTIVE YEARS OUTSIDE OF THE UNITED STATES, PRIMARILY IN THE MIDDLE EAST.

DURING MY CAREER, I HAD THE GOOD FORTUNE TO SERVE WITH LAURANCE ROCKEFELLER AT ROCKEFELLER FAMILY AND ASSOCIATES, AS A VICE PRESIDENT IN CHARGE OF THEIR CONSTRUCTION. WE BUILT AND DEVELOPED MANY FINE FACILITIES. I WOULD LIKE TO NOTE HERE THAT ONE CANNOT HAVE SERVED UNDER THE TUTELAGE OF MR. ROCKEFELLER AND NOT BE SENSITIZED TO THE IMPORTANCE OF SUSTAINING AND MAINTAINING A PROPER BALANCE IN THE ENVIRONMENT. THIS BALANCE DIRECTLY AFFECTS OUR QUALITY OF LIFE.

I HAVE EXPERIENCED COUNTRIES IN WHICH, THROUGH LACK OF SENSITIVITY OR CONTROLS, AN INTOLERABLE ENVIRONMENT WAS CREATED. HERE IN AMERICA, WE ARE MUCH MORE SENSITIVE TO THIS ISSUE AND I APPLAUD THE STEPS CONGRESS HAS TAKEN IN ENACTING LEGISLATION FOR THE INTERESTS OF SAFEGUARDING THE ENVIRONMENT.

FOR OVER 37 YEARS, I HAVE SERVED MY PROFESSION, 16 OF WHICH WERE AS A CHIEF EXECUTIVE OFFICER. MY MANAGEMENT SKILLS HAVE COME FROM LONG AND TESTED EXPERIENCE. MY AIM IS TO USE THESE SKILLS TO THEIR BEST ADVANTAGE IN THIS OFFICE.

INASMUCH AS WE HAVE A SHORT PERIOD OF TIME FROM CONFIRMATION TO THE CHANGE OF ADMINISTRATION, I FEEL THAT MY GOALS MUST BE WELL DEFINED AND PRIORITIZED. WE MUST SELECT IMPORTANT TASKS THAT CAN BE ACCOMPLISHED, AND WE MUST SELECT THE MORE CRUCIAL ELEMENTS AND DEAL WITH THEM. THESE ARE:

O ADMINISTERING THE RECENTLY ENACTED LEGISLATIVE CHARTER WITH SENSITIVITY TO PROPER CONTROLS IN OPERATIONS AND ENVIRONMENT.

O IMPLEMENTING THE COST SHARING REFORMS. THESE REFORMS ARE REVOLUTIONARY AND EXCITING, AND THE MANDATE INCLUDED IN P.L. 99-662 IS OF PARAMOUNT IMPORTANCE. THE ADJUSTMENT TO THIS PROGRAM WILL REQUIRE THE CORPS TO REVIEW AND MODIFY THEIR METHODS, PROCEDURES, MONITORING AND CONTROL IN ORDER TO STRUCTURE THEM TO ACCOMMODATE THE COST SHARING PARTNERS. THESE ADJUSTMENTS ARE UNDERWAY - REFINING AND INSTITUTING THE PROCEDURES IS OUR GOAL.

IT IS MY HUMBLE BELIEF THAT, IF WE ARE SUCCESSFUL IN MEETING THESE OBJECTIVES, IT WILL ENHANCE THE IMAGE OF THE CORPS OF ENGINEERS, WITHIN THE GOVERNMENT AND WITH ITS NON-FEDERAL PARTNERS. FURTHERMORE, THE EXPANSION OF THE COST SHARING PROGRAM TO OTHER FEDERAL AGENCIES WOULD HELP IN OUR FIGHT TO REDUCE THE FEDERAL DEFICIT. THAT TO ME WOULD BE A WORTHY ACCOMPLISHMENT.

IN ADDITION, TO MY WORK WITH THE CIA, I HAVE SOME RECENT EXPERIENCE WITH THE FEDERAL GOVERNMENT. I WAS APPOINTED BY PRESIDENT REAGAN TO HIS EXPORT COUNCIL IN 1984, (UPON WHICH I STILL SERVE BUT WILL RESIGN IF AND WHEN I AM CONFIRMED).

I HAVE ALSO SERVED MY INDUSTRY AS CHAIRMAN OF THE INTERNATIONAL ENGINEERING AND CONSTRUCTION COUNCIL. IN ADDITION, I WAS SELECTED BY THE PRIME MINISTER OF TURKEY AND OUR GOVERNMENT TO SERVE AS THE FIRST CHAIRMAN OF THE TURKISH-U.S. BUSINESS COUNCIL.

A MULTI-FACETED OPERATION SUCH AS THE ARMY CORPS OF ENGINEERS IS GREATLY DEPENDENT UPON COMMUNICATION. I HAVE UNDERSTOOD FROM TALKING WITH MANY OF YOU, OVER THE PAST FEW WEEKS, THE NECESSITY OF OUR WORKING CLOSELY TOGETHER. THIS WE WILL DO. IT IS NOT MY STYLE TO WORK UNILATERALLY. THIS SERVES NEITHER OF OUR PURPOSES. YOU MAKE THE LAWS, WE CARRY THEM OUT, AND THAT WE WILL DO TO THE BEST OF OUR ABILITIES.

IF CONFIRMED, I LOOK FORWARD TO SERVING. I FEEL IT IS AN HONOR TO BE ASKED TO SERVE, AND I HOPE THAT I CAN MAKE A CONTRIBUTION TO THIS ORGANIZATION.

I'M EXCITED ABOUT THE OPPORTUNITY TO WORK WITH GENERAL HEIBERG AND THE CORPS OF ENGINEERS, WHICH I CONSIDER THE WORLD'S PREMIER ENGINEERING AND CONSTRUCTION ORGANIZATION. THE SHORT PERIOD OF TIME THAT I'VE BEEN HERE IN WASHINGTON, D. C., I'VE BEEN IMPRESSED WITH THE DEDICATION WITHIN THE CORPS OF ENGINEERS AND THE OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

DURING THE TRANSITION PERIOD BETWEEN PERMANENT ASSISTANT SECRETARIES, JOHN DOYLE HAS PERFORMED AN OUTSTANDING SERVICE AND IS TO BE COMMENDED.

IN ORDER TO MEET THE CHALLENGING FUTURE, THE CORPS NEEDS TO SUSTAIN AND DEVELOP THEIR YOUNG MANAGEMENT TALENT. AND THAT I AM COMMITTED TO DO, BASED UPON MY OWN YEARS IN MANAGEMENT. PERSONNEL IS A MAJOR ASSET.

I LOOK FORWARD TO WORKING WITH THIS COMMITTEE AND YOU INDIVIDUALLY. AGAIN, THANK YOU FOR THE OPPORTUNITY TO BE HERE TODAY.

THANK YOU VERY MUCH.

Senator BURDICK. Mr. Page, it's clear from your résumé that you have little experience in water resources. Would you please take a moment to summarize for us your understanding of the Water Resource Development Act of 1986 and its importance?

Mr. PAGE. Yes, sir.

It's true, my background—as Senator Chafee summarized, and I appreciate the opening statement that he made—is in the engineering and construction field. Through the years I couldn't help but touch upon water resources in many respects. However, I do not come here and put myself up as an expert in that field. My sensitivities are certainly there. I have the flexibility to make adjustments and cope with expertise that I lack in that area.

As far as the Water Resources Act is concerned, I share the view with Senator Chafee. We are faced with probably one of the most important pieces of legislation that has ever affected the Corps of Engineers, and furthermore ultimately would affect this Government in the construction area. The Corps needs now to adjust many of their fine procedures to the quasi-government sector, which have been directed in the past entirely to the pure Government sector. It is now necessary for the Corps to hone their skills to adapt to working in concert with the private sector, a totally new environment. To accomplish this, there must be a major adjustment. During my tenure, the primary priority, will be to work with the Corps and mold their procedures to be compatable with the requirements of Public Law 99-662.

Public Law 99-662 will open up other avenues. Prior to its passage there was somewhat of a backlog in work required to proceed, which has now opened up somewhat. More justifiable projects will proceed with the introduction of the private sector's involvement in cost-sharing. Public Law 99-662 has also assisted one industry, the engineering and construction industry, which incidentally represents about 13 percent of the gross national product. We will see more prosperous activity in these areas which will be good in aiding local communities as well as the Federal Government.

Thank you, sir.

Senator BURDICK. Thank you.

If the Congress were to authorize a project for construction by the Corps of Engineers and local sponsors of that project were prepared to cost-share its construction in conformance with the 1986 Act, are there any circumstances—other than budget priorities—which would lead you either to refuse to sign a local cooperation agreement for such an authorized project, or simply refuse to build it?

Mr. PAGE. I know that in the past there have been projects similar to this to which you referred specifically. I do not know what they are at this time, or why they are not proceeding, but I can only say in my case that if these cost-sharing projects have been brought forward and we have local sponsors and they meet all the budgetary requirements, that every one of these would have to be viewed on an individual basis. I don't think you could make a blanket statement. That's the only way I can answer it, sir.

Senator BURDICK. Thank you.

I naturally have a few specific questions relating to water resources in that great State of North Dakota, but ask that you pro-

vide the committee with the answers to the questions so that we can save some time. So I will submit some questions to you in writing.

Mr. PAGE. All right, sir.

[Senator Burdick's questions together with responses follow:]

Answers to Questions Presented for the Record
by Senator Burdick to Mr. Page Regarding
Corps Civil Works Projects

Question #1. If the Congress were to authorize a project for construction by the Corps of Engineers, and local sponsors of that project were prepared to cost share its construction in conformance with the 1986 Act, are there any circumstances other than budget priorities which would lead you to either refuse to sign a local cooperation agreement for such an authorized project, or simply refuse to build it?

Answer: For the Department of the Army to be willing to sign a local cooperation agreement, a number of conditions must be met. Essentially, to sign a local cooperation agreement, initial construction funds must have been appropriated, and the Department must be willing to budget the remaining funds necessary to meet its funding commitments, as reflected in the agreement. As you know, this Administration has assigned priority to commercial navigation and flood control projects. It has not been willing to budget for recreation, single purpose water supply and other kinds of projects not providing mainline benefits. In addition, regardless of project purpose, a project must be economically justified at the current discount rate and be consistent with environmental laws and regulations.

Question #2. Can you tell me the current status of the progress toward reaching a local cooperation agreement with the sponsors of the first phase of the Sheyenne River project, and when I can expect to see construction funding for this project--with a benefit to cost ratio of ___ and local cost sharing of 40% included in the budget of the Corps of Engineers?

Answer: The draft local cooperation agreement for the West Fargo component of the Sheyenne Flood Control Project is currently under review in the North Central Division office. Upon completion of Division review, it will be forwarded to the Office of the Chief of Engineers and then to the Assistant Secretary of the Army (Civil Works) for approval.

The earliest that construction could start is FY 1989 - subject to appropriation of funds by Congress. The benefit-cost (BC) ratio for the first phase component at West Fargo is 10.2 to 1. The estimated local share of cost for the West Fargo component is 36 percent.

Question #3. (Follow-up) Would you say from what you know about this project that it should be a high priority project for initiation?

Answer: Because of the high priority outputs (urban flood damage reduction) of the West Fargo component, strong local support, and strong BC ratio, the project has a high priority for an early new construction start.

Question #4. Could you tell me if you have any intention of proposing to implement any new charges for the withdrawal of water from the Missouri River?

Answer: A study by the Corps Missouri River Division is underway to determine charges for municipal and industrial water supply obtained from the mainstem Missouri River lake projects. The study was initiated in 1985 at the direction of the Assistant Secretary of the Army for Civil Works, in response to concerns by you and by others. The study has been coordinated with the Missouri Basin States Association (MBSA). MBSA adopted a resolution on 26 August 1987 which concludes that, in the absence of the Federal mainstem reservoirs, water for municipal and industrial, rural, domestic, and stock water uses would be taken from the natural flow of the Missouri River or adjacent groundwaters and that such uses should be exempt from charges for the use of storage. The study will consider the views of MBSA and will be forwarded by the Division during this fiscal year for action at the Washington level. Any decision by me, to implement charges for withdrawal of water would certainly give strong consideration to the views of the MBSA. However, any decision must await completion of the study being conducted.

Question #5. Mr. Page, at my request the General Accounting Office will soon issue a report on the status of bank stabilization along the upper Missouri River, particularly the part affected by operation of the mainstem reservoirs. When this report is issued I would like your assurances that I can work with you to develop legislation, based on the GAO findings and alternative resolutions, which would resolve this long standing problem.

Answer: Senator, upon release of the GAO report on Missouri River bank stabilization, and at your request, we will be happy to work with you on legislation addressing bank stabilization issues. As you know, any draft legislation we provide would be a technical drafting service and will not necessarily represent the Department of the Army position. Any official position on the GAO report and on any proposed legislation resulting from such a report, can be made only after thorough review and coordination with the executive branch.

Senator BURDICK. Now we will hear from Mr. Chafee from the great State of Rhode Island.

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Page, in your statement you said that one of your main goals would be to make the Corps operate in a more businesslike fashion. Could you describe how that goal is consistent with the implementation of the cost-sharing reforms contained in the Water Resources Development Act that we did last year? Why don't you just tell us a little bit about that, when you say you're going to make it more businesslike? Could you touch on that briefly?

Mr. PAGE. Yes, sir. What I meant by that is that you are now faced with a situation in which cost-sharing between the private sector and the Government sector is involved. It is important that both of these sectors at the very outset understand what their responsibility and authority are within that project framework.

It is also necessary that the Corps of Engineers, along with the private sector, be able to put together a feasibility study which deems the project, in the eyes of the legislation and the private sector, lenders, to be financially viable; that following that, a valid, conclusive and workable estimate is prepared along with a schedule to assure the private sector and the Government sector, who have put their money into this pool, that in fact it will be done within that schedule and that budget. Otherwise, I think we have defied the ground rules which have been established for this effort.

It is necessary for me, then, in my position as Assistant Secretary of the Army for Civil Works, to be able to monitor these projects more closely as they proceed, to know if we're facing an upturn in cost or a delay in budget, and how we can cope with these scope changes.

Coming from the private sector, sir—and it's no different than any other—to us, to maintain that schedule and budget is of utmost importance, and I think that's one of the things that we can look for in this program, hopefully to bring down and drive down some of the costs to help with our budget efforts.

Senator CHAFEE. Let me ask you a question that follows along on that. Frequently before this committee there are charges when we are dealing with any kind of public project—and it isn't necessarily those that fall under the Corps of Engineers; it might be the design of a waste treatment plant—that there really isn't much innovation or originality in design, construction, and maintenance, that "what's been done before is more or less the way we do it now." There might be some changes in materials, but basically the design is what it's always been. The Office of Technology Assessment did a report for this committee that criticized this lack of innovation in public works.

What responsibility do you think the Corps of Engineers has in public works research, development, and innovation? I must say that I don't even know; does the Corps of Engineers have a research center on how to do some of these projects in a more innovative and original fashion than has been done in the past?

Mr. PAGE. Yes, Senator Chafee. In fact, it's one point that I did not stress in my opening statement, or the one submitted for the record, but I strongly feel that the research and development effort that the Corps of Engineers now has underway should be ongoing

and hopefully can be increased. I think it's a plus, not only for the Corps and the Government, but also for the private sector. Yes, sir, there is such an effort.

Now, to answer your original question, it could almost be a continuation of the first. I think that the new omnibus bill has brought about the necessity for the Corps and for other Government agencies to look at past design in an entirely different manner. In the past design which was done in 1920 is still being done today, and we have somehow a capacity to design to high safety standards and safety factors which really is not all that necessary. But with budgetary constraints now and with the private sector area looking on to us, it's going to cause us to "value engineer," as you might say, new innovative designs, to work at this to get the same kind of efficiency from design and engineering, structural strength, but do it at less cost. I think that's one of the areas that I have also put in this string of modifications that we must do and institute in these procedures.

Senator CHAFEE. Let me just comment on one thing that greatly impressed me. In Saudi Arabia the U.S. Corps of Engineers did a great deal of building for the Kingdom in the 1950's and 1960's. I believe they were retained by the Kingdom of Saudi Arabia to do construction there. It seemed to me that that was a winner in two ways. One, it was a winner for us because it gave our people experience in construction that they might not get in this country. We're not building dams and locks and waterways to the extent we once were.

Mr. PAGE. Yes, sir.

Senator CHAFEE. And secondly, it was a plus in that it increased the standing or provided a U.S. presence in Saudi Arabia that reflected well on our country. The Corps of Engineers was what the Saudis saw of America, and they thought it was excellent.

Now, is that still done? If it's not and if the opportunity came to do that or similar activities, what would be your reaction to it? I'm not referring particularly to Saudi Arabia. I'm referring to developing countries.

Mr. PAGE. Yes, sir.

Senator CHAFEE. Now, I suppose in a way it's competing with private industry, but it works.

Mr. PAGE. It works.

Firstly, I would like to say that Nancy and I—and I keep referring to Nancy because she has been my companion and friend and wife for 35 years, so what I've been through she's been through—we lived in Saudi Arabia. I've worked there. I came back to this country and headed up a construction company, and we went to Saudi Arabia and built three large air bases under the supervision of the Corps of Engineers. And I can certainly agree with you that it gave a wonderful impression of this country. They were the unofficial ambassadors and were highly regarded. If there is anything that worked as a catalyst at one particular crucial time in Saudi Arabia, I think it was the Corps of Engineers.

The second part of your question, would this be advantageous to follow this in similar areas in the world, particularly in third-world countries, I would say yes, sir. There are certain constraints on that; I think some of them would be manpower, how much of it you

can do, but the Corps at this time is doing some preliminary work with the People's Republic of China.

I think that the Corps working in these countries and with these people produces a good image. There's a great deal of technology transfer which doesn't go across in paper. What goes across is the mere fact that we are training people how to manage their own countries and manage their own work.

When I was in the private sector we complained at one time—and I did myself—over the fact that we felt the Corps of Engineers may be taking work away from the private sector in China. The Corps, as you well know, does not direct-hire. In other words, they are only acting as managers, and a lot of times, consultants. That is good in the fact that it does encourage that country to bring in U.S. contractors and engineers.

That's a long answer to your question. I answer positively on all points. I agree with you, sir.

Senator CHAFEE. Thank you.

I may have a question later, Mr. Chairman, but my time's up.

Senator BURDICK. Thank you.

Listening to your discussion with the Senator, one thought crossed my mind. Are we in danger of getting too enamored with foreign construction and forgetting some local construction?

Mr. PAGE. No, sir, I hope not. I don't think so. As I mentioned, to the best of my knowledge at this time the workload that was very strong in Saudi Arabia—which was a mainstay of foreign work for the Corps of Engineers—has now gone down to a mere dribble. There could be others—I'm not that familiar with it, but there could be other work, which is in the People's Republic of China, which, as I said, is management-consulting work.

Your concern is a good one because if the new water resources bill brings on the kind of work that we think it will, that is justifiable under our new conditions of cost-sharing, then we will need as many resources as we can possibly get to execute that work.

I will stress at this time, as I did in my written statement, that I hope that in the cost reductions that are absolutely necessary now in the Government—and there are a number of them now that are coming into the Department of Defense and into the Department of the Army—we do not lose sight of the fact that the principal and main asset of the Corps of Engineers is people, to be able to execute the legislation which you have called upon us to do. I hope that in the sake of cutting fat we don't get down to some of the muscle.

Senator BURDICK. Thank you.

Mr. PAGE. Thank you, sir.

Senator BURDICK. Senator Breaux?

Senator BREAUX. Thank you, Mr. Chairman. I don't have any questions. I just want to thank Mr. Page for coming by and visiting with me yesterday. I tried—I think probably unsuccessfully—to convince him that all the priorities of the Corps should be in Louisiana.

He's done work down there and is familiar with our State. Indeed, we do have a large amount of activity with the Corps because of the flood conditions.

The Corps does a good job down there. You are inheriting a difficult but challenging position.

I said to Mr. Page yesterday that we are very pleased that someone who has a very successful business is willing to give that business up temporarily to serve in Government. We need more people like that, who are willing to make that sacrifice. It certainly is a major financial sacrifice, but he brings with him a lot of experience and talent in the business of construction. I think that his management background and skills will be helpful.

I understand you plan to keep John Doyle as your deputy.

Mr. PAGE. Yes, sir.

Senator BREAUX. I think that's a good decision. He's a person who has knowledge of the history of this place and I think he will be very helpful to you.

Mr. PAGE. Yes, sir.

Senator BREAUX. So we're pleased to have you. Thank you.

Mr. PAGE. Thank you so much, Senator,

If I may, Mr. Chairman, I would like to take the opportunity for a little commercial that the Senator has reminded me of. John Doyle should certainly be commended. He has worked long and dedicated hours in this transition period. He's a person on whom, if I am confirmed, I will rely upon heavily.

Thank you, Mr. Chairman.

Senator BURDICK. Senator Chafee, do you have any further questions?

Senator CHAFEE. Yes, Mr. Chairman. I'd just like to ask Mr. Page briefly about the situation as he sees it now existing in connection with the 404 program among Fish and Wildlife and EPA and the Corps of Engineers.

Two years ago we had some long, long hearings on the memorandum of understanding among those agencies. Are you up to date on how the relationships are working out now with those three groups?

Mr. PAGE. No, sir, I'm not in detail, Senator. I know some relationship situations with EPA but I'm not totally familiar with it.

Senator CHAFEE. Well, you are familiar with the 404 program?

Mr. PAGE. Yes, sir.

Senator CHAFEE. Well, I just want to say that there are many members of this committee who are extremely interested in that program and who will be asking you from time to time about it. I just want you to know that I care deeply about it.

Mr. PAGE. Yes, sir.

Senator CHAFEE. Some of the others are not here. That is a program that, of course, falls under the jurisdiction of this committee. I notice in your statement you said you worked for Laurance Rockefeller——

Mr. PAGE. Yes, sir.

Senator CHAFEE [continuing]. And you said that nobody could work for him—and I believe it's certainly true—without being "sensitized to the importance of sustaining and maintaining a proper balance in the environment. This balance directly affects our quality of life." So that carries over into the job you're in now because the 404 program inevitably provides conflict between those who want to drain a swamp or clear hardwood lowlands or what-

ever it might be in order to get some profit out of it. It requires permits and the Corps is involved in that permitting process.

So I would ask and be interested in your reaction to that program and whether you will be sensitive to the environmental concerns.

Mr. PAGE. Yes, Senator. The first question, as to the interplay and involvement among the different agencies, I'm sure that I will become sensitive to that and understand it because in any effort where there are a number of agencies or people involved, coordination and understanding of what you're doing and communication are important.

As far as 404 is concerned, I have looked at some of the data and the background. I have spoken to you about it briefly. It's a very important issue, there's no question about that. We're concerned not only for the quality of life but for the standard of living in this country. This is going to provide something that will help sustain that and will place us, I'm sure, above the level of most countries in this world. That makes for us a better economy and environment in which to live.

As a permitting agency and regulatory group, as the Corps of Engineers is, it is necessary for them—and I think this has been a problem in the past—to understand just what those parameters are as to what they permit and how they go about that permitting. I am a believer in balance, and sometimes that balance fulcrum will change. Every single situation, as I mentioned to Senator Burdick a few minutes ago, has to be weighed on its own credentials. But to ignore the environment or to ignore the best for the most for the sake of a few would certainly not be a path which I would pursue.

Senator CHAFEE. Well, I agreed with most everything you said there. You know, there are not going to be many defenders of swamps around.

There's one over there. Well, good.

So I'm not sure I would agree with your final statement that the needs of the majority must control—and I'm not sure that you said that—but that the needs for the many must prevail over the few, or something like that. I think in these matters you are right. We've got to look at the specific situation. But the preservation of the wetlands of the country is absolutely crucial. We are losing them at an incredible rate. But in every instance where there's a wetland involved, there's a whale of an economic justification for filling it, whether it's for a parking lot for that wonderful new restaurant in Little Compton or whether it's for a shopping center in Sweeden's Swamp on Route 95—it's going to provide more jobs, it's going to do all these wonderful things—and it's always come down economically that it's better to fill the thing and drain it than not to, in dollars. But that's not the basis on which we can proceed in these matters.

So I would ask you to be extremely thoughtful about these matters, that it isn't the views of the majority, because all too often there's no protector there for the wetlands.

If you want to say anything more on that I'd be glad to hear it, particularly if you agree with me.

Mr. PAGE. I agree with you. I agree with you. I couldn't live in Little Compton and not. Nancy and I—and I don't know how this

will go for the record—have been struggling long and hard with the Heffenreffers and others there to maintain the wetlands.

When I say that maybe in the context of your question, "the best for the most," I was thinking primarily about there in Little Compton. You take away the wetlands—you can justify some of these economically by placing a parking lot; in fact, you could do that and the whole United States would be one great, big paved area. Again, you have to look at each individual case. There is more to it than just the financial justification because there you have not only quality of life, as I mentioned before, but you're concerned with the gross product, the economy by which those areas live and survive.

Senator CHAFEE. It goes to more than that. It goes to how we're going to have clean water. We have clean water because water can be filtered. We have overflow areas that are wetlands in Senator Breaux' wonderful State that serve as a backup when the river floods. The wetlands provide the start of the chain of life, particularly in the Gulf but also in all areas. So there can't be an immediate visible justification for the preservation of a wetland, but it has to be looked at in the long range. And it does involve the quality of life, but sometimes it involves the very life itself, the life of our people.

So I would ask that you be very, very sensitive to those. There will be specifics that come before you. They will come all the time, and they'll end up on your desk.

Mr. PAGE. That's right.

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. PAGE. I shall be sensitive to the environment, Senator.

Senator BURDICK. Senator Pressler?

Senator PRESSLER. Thank you.

As Assistant Secretary of the Army in charge of the Corps, what action do you anticipate taking to improve the operation of the Corps of Engineers?

Mr. PAGE. Good morning, Senator.

I stated earlier, but will elaborate more for you, that with the short period of time that we have in front of us in this Administration you can't plan to accomplish a great menu of things because it would confuse more than it would contribute. So I have tried to establish a priority for my tenure, and that is taking the omnibus water resources development cost-sharing, and I will try to bring the Corps' methods and procedures over into a private sector environment so that we can be competitive with the private sector, and also that we can serve the investors and that we can produce projects on a lump-sum basis; that is, a cap on the cost, and with a time frame and a schedule. I hope that that, being accomplished, will be an inspiration to other agencies of the Government and possibly this thing can be more widespread.

Senator, I think maybe it wasn't explained as clearly as it should be but when you're involved in it it's a massive endeavor. If I can accomplish that in a year, I'd be pleased.

Senator PRESSLER. Let me ask you this. Like so many issues, many of the problems faced by the Corps of Engineers are unique to a particular State. For example, my home State of South Dakota has four Corps of Engineers dams built in the Missouri River.

Below the last dam, Gaven's Point, there are serious bank erosion problems. The stream bank erosion problems are primarily caused by the inconsistent releases from the dam; however, the Corps of Engineers will not fund bank stabilization work.

In your view, should the Corps of Engineers assist in bank stabilization efforts in areas where their activities have caused the problem?

Mr. PAGE. I have spoken to you, Senator, and also to Senator Burdick on a similar problem. In your case—I think in both cases—these are studies that the Corps has underway now. To answer that without a commitment and a promise, which would be unfortunate on my part and yours since I'm not that well briefed on it and have not been in the office yet, but to say that if something is caused by a dam, rapid flow of water which was not a natural situation, it certainly causes great concern. To know the problem and to be able to cope with that problem, I think yes, sir, it would certainly do that.

Senator PRESSLER. There are a lot of farmers in that area who lose 30 or 40 acres of farmland if the water is released in a certain way. There are people who have homes there that are about to be washed away. I don't know if there could be more care in the releasing of this water, if it has to be released that way. Do you know anything about that?

Mr. PAGE. I know only that after our brief discussion the other day I brought this subject up, and they are going to give me an answer. I will certainly come back to you with that, Senator.

Senator PRESSLER. Yes. I would very much appreciate having it for the record of this hearing because I think that's a very important thing, to know what our policy is. There are some parts of the country where bank stabilization has occurred and it's been paid for by the Federal Government. As I understand it, it's not now the policy of the Federal Government.

[The information requested by Senator Pressler follows:]

RESPONSES TO SENATOR PRESSLER'S QUESTIONS FOR MR. PAGE, REGARDING BANK EROSION ALONG THE MISSOURI RIVER

Question 1. Should the Corps of Engineers assist in bank stabilization efforts in areas where their activities have caused the problem?

Answer. Information gathered by the Corps on historical rates of Missouri River bank erosion discloses that the present controlled-flow regime produces less erosion than occurred under the naturally-varying flow conditions existing prior to construction of the dams. Thus, operation of the Corps reservoir projects have not caused the problem. Incidentally, this very question of the role of the Corps water control activities on the nature of Missouri River bank erosion is presently the subject of an investigation by the General Accounting Office.

Question 2. Could the Corps schedule its releases of water from its dams to minimize the problem of bank erosion?

Answer. In general, many factors are considered in scheduling water releases to meet reservoir project purposes, including the impacts of bank erosion. In the case of Gavins Point Dam, the pattern of releases minimizes stream bank erosion because daily releases are maintained at near constant levels for sustained periods, sometimes for weeks at a time. A regulation plan could not be devised that would reduce the bank erosion rates to less than those currently being experienced. Although substantial bank erosion does occur downstream from the main stem dams and is somewhat different in character from pre-project conditions, the actual rates of erosion are less than those that were occurring prior to construction of the dams.

Senator PRESSLER. I don't know if you could do bank stabilization on a cost-sharing program. Would that be a possibility?

Mr. PAGE. Yes, sir.

Senator PRESSLER. What kind of a program would that entail? What steps could the State take to initiate such a program?

Mr. PAGE. I'm not certain at this time how that is initiated, but if you would like to have the procedure of how that could go about, I'll spell that out for you, sir.

Senator PRESSLER. Could you spell that out for the record of this hearing?

Mr. PAGE. Yes.

[The information requested follows:]

RESPONSE TO SENATOR PRESSLER'S QUESTION FOR MR. PAGE, REGARDING BANK EROSION ALONG THE MISSOURI RIVER

Question. Can the Corps perform bank stabilization work on a cost-sharing program? What kind of program would that entail? What steps could the State take to initiate such a program?

Answer. The Corps has only limited authority to perform bank stablilization measures: Section 9 of the Flood Control Act of 1946 (P.L. 526-79), which limits such work to protecting highways, railways or utilities from the effects of Corps projects; and Section 14 of the same act (as amended), which limits work to the construction of emergency streambank protection to prevent damage to highways, bridge approaches and public works, churches, hospitals, schools and other non-profit public service facilities. There is no authority to provide general bank stabilization along the nation's rivers. However, there are some specific authorizations for the Missouri River. Authorization for construction of bank stabilization measures were included when the 59-mile reach of the Missouri River between Gavins Point Dam, South Dakota, the Ponca State Park, Nebraska, was designated as a National Recreational River by Section 707 of P.L. 95-625, which amended the Wild and Scenic Rivers Act, P.L. 90-542. All construction of this project would be done in accordance with the cost sharing and financing concepts reflected in the Water Resources Development Act of 1986. Costs for streambank protection work to prevent erosion of private lands would be 100 percent non-Federal. Cost-sharing requirements for the overall features of the Missouri National Recreational River are still being developed and will need to be treated on a case-by-case basis. State and local interests will be contacted by the Omaha District Engineer as specific requirements are identified. Bank erosion problems in reaches downstream from the other mainstem Missouri River dams are presently being evaluated in the study of the Missouri River, South Dakota, Nebraska, North Dakota and Montana, which is nearing completion. Section 603 of the Water Resources Development Act of 1986 authorized the Secretary of the Army, subject to his review and comment, to carry out a program to plan, design and construct streambank erosion control projects on certain reaches of the Upper Missouri River. The reaches identified in this authorization are different from the aforementioned 59-mile reach of the Missouri National Recreational River. Section 603 provides that the non-Federal share of the cost of each project carried out under this authorization shall be 25 percent. However, the Administration does not consider streambank protection projects to have high budget priority and will not likely budget for such projects during these times of high deficits.

Notwithstanding the above authorizations, any bank protection project constructed by the Corps of Engineers must first be found economically feasible by conventional benefit-to-cost comparison analysis. It must also be found environmentally acceptable. Engineering investigations for proposed streambank protection of agricultural lands in the past have usually found such projects to be economically infeasible.

Senator PRESSLER. Do you anticipate continuing the policy of the Corps of Engineers of not financing recreational development projects, even if a local sponsor is willing to cost-share the project?

Mr. PAGE. First, I wasn't aware that they had totally rejected the cost-sharing or sponsorship of recreational projects. But again, I'm going to repeat this—probably for the third time—but in your case,

Senator, it's tough for me at this point, or any time, to make a blanket statement that "we will do this or we will reject en toto." There are certainly any number of these projects that could be justifiable, or there's a number that certainly can't be. But it has to be taken on an individual basis. I'm sure that you will agree with me that if it is viable, it's certainly worth the effort to proceed with the study.

Senator PRESSLER. Thank you very much.

Mr. PAGE. Yes, sir, thank you.

Senator BURDICK. Thank you for your testimony.

Have you ever worked on a farm or lived on a farm?

Mr. PAGE. Yes, sir.

Senator BURDICK. Good.

Mr. PAGE. I have.

Senator BURDICK. You've heard the testimony today about the three interests here?

Mr. PAGE. Yes, sir.

Senator BURDICK. It's like driving three horses. In Russia they call it a "troika." Do you think you can keep those three horses together?

Mr. PAGE. Yes, sir. There may be some that disagree with me, probably sitting behind me, but yes, sir.

Senator BURDICK. You've got to hold those lines tight in those three areas.

Mr. PAGE. I understand the responsibility of the position and I appreciate the trust that has been placed in me up to this point. I hope that I can satisfy that trust.

Senator BURDICK. Well, thank you very much. We are pleased to have your testimony.

Mr. PAGE. Thank you, sir.

Senator BURDICK. I wish you well in your new job.

Mr. PAGE. Thank you. Thank you, sir.

[Responses to questions from Senators Moynihan and Mitchell follow:]

ANSWERS TO QUESTIONS PRESENTED FOR THE RECORD BY SENATOR MOYNIHAN, TO MR. PAGE REGARDING CORPS OF ENGINEERS POLICIES AND PROCEDURES, GOVERNING MODIFICATION OF WATER CONTROL PLANS

Question 1. What modifications to multipurpose water project operations does the Corps believe it has authority to make without seeking Congressional approval?

1. Corps of Engineers water control management procedures and responsibilities are set forth in 33 CFR Part 222, Sec 222.7 and in 33 CFR Part 208, Sec 208.11. Specifically, these regulations prescribe requirements for the preparation and modifiction of water control plans. The operation of multiple purpose reservoir projects involves careful, up-to-the-minute evaluations of hydrologic conditions in the watersheds, reservoirs and rivers (pool elevations, inflow rates, downstream river stages, forecasted and observed rainfall, etc.), and application of the approved water control plans to assure best use of the available water resource. At times, needs arise to modify water control plans in response to changing situations. The modifications range from those that are necessary to respond to emergencies during flood control operations to longer term modifications such as are necessary to respond to extended periods of drought. All water control plan modifications require approval by the Division Engineer. When developing a new or modified water control plan the Corps must consider all specifically authorized purposes of the project together with other Congressionally mandated purposes, such as water quality control, fish and wildlife, etc. Water control management of multiple purpose reservoirs during droughts involves the development of water control plan modifications to apportion the water shortage amongst the several, and often conflicting, project purposes. It is

during such times, when the Corps, the public and the affected parties must redetermine and adjust the priority of project purposes to best use the available resource, that water control management becomes most difficult. In addition to the stated authorities for operational changes, the Water Supply Act of 1958 granted discretionary authority to the Chief of Engineers to add water supply to completed projects when it will have no significant effect on other authorized purposes and will involve no major structural or operational change.

Question 2. Does the Corps have authority to modify the operation of a multipurpose water resource project so as to alter repayment schedules, project purpose and benefits without consulting Congress?

2. The Water Supply Act of 1958 (as amended) and Flood Control Act of 1944 give the Corps a certain degree of flexibility in this regard with respect to the addition of water supply. However, when it is determined by analysis that the addition of water supply storage (within the discretionary limits of the Chief of Engineers) would encroach on another purpose's ability to effect required repayment, internal adjustments are made in the project accounts to avoid detriment to the affected purpose's repayment posture. For example, if a water supply reallocation of storage affects hydroelectric power production, the water supply and hydroelectric power accounts are adjusted to compensate for lost revenue due to reduced generation of electric power. Apart from the foregoing, the Corps assumes a certain amount of operational flexibility to meet day-to-day needs of the project and its benefiting public, as discussed more fully in the answer to the first question.

Question 3. What procedures are followed when the Corps decides to modify a project's operation in ways which may affect authorized purposes but which the Corps does not believe requires Congressional approval?

3. The affected parties are informed and public meetings or hearings are conducted to explain the proposed modifications and solicit reaction and comments. Short term changes made during emergencies are by necessity limited in the amount of coordination practicable but longer term changes or permanent changes are developed in accordance with the same procedures used to develop new water control plans as set forth in 33 CFR Part 222, Sec 222.7.

Question 4. What procedures does the Corps follow in formulating recommendations on modifications to project operations for which it does not seek approval of Congress? Does it seek guidance from the affected parties? Does it inform affected parties that a change is under consideration?

4. Modifications of project water control plans are made by Corps District (local) offices after review and approval by Division Engineers. Such modifications may result from changed requirements in the project area and downstream, improvements in technology used for weather forecasting and hydrologic data acquisition, new Congressional legislation (e.g., Clean Water Act amendments), emergency conditions such as drought, and other related factors. Water control plan modifications are to be closely coordinated with all affected parties.

Question 5. At what level are administrative decisions with respect to project operation considered? Do Division, District or Chief level decisions require the approval of the Secretary or Assistant Secretary? What procedure is followed to review, approve and implement such administratively established project operation modifications?

5. Approval of project water control management plans and activities is delegated to the Corps Division (region) Engineers. Headquarters staff is available for consultation with regard to questions pertaining to policy and authorizations. Generally, approval of the Secretary or the Assistant Secretary (Civil Works) of the Army is only required when storage is reallocated to water supply. In that instance, the Assistant Secretary approves the reallocation and signs the contract with local interests. Procedures for review, approval and implementation of water control plans are set forth in 33 CFR Part 222, Sec 222.7.

Question 6. When the Corps develops a proposed administrative resolution of a project operational issue, does the agency provide the affected parties with notice and the opportunity to comment? How is this notice and opportunity provided? Is consideration given to such comments: Is a record of such comments kept?

6. When a District Engineer proposes a modification to an existing water control plan to resolve an operational issue, he is required by 33 CFR Part 222 to coordinate with appropriate government agencies and affected parties regarding the proposed change. Consideration is given to all views and, to the extent permitted by existing laws and regulations and by the physical limitations of the project, those that are practical and conducive to meeting project water control objectives are incorporated in the proposed plan. Public and government agency comments are kept in project files for durations limited by agency file management policy.

Question 7. How does the Corps assure the widest possible representation of interests, and accord equal access to the decision-makers to all interested parties?

7. Corps policy set forth in 33 CFR Part 222, Sec. 222.7 requires that public information and public involvement activities be conducted in conjunction with the development or modification of water control plans. The views of all affected parties are solicited through these processes. The open public meeting and the entertainment of written comment from any individual or group are the most fair and effective means by which the Corps can assure the widest possible representation of interests.

ANSWERS TO QUESTIONS PRESENTED FOR THE RECORD, BY SENATOR MITCHELL TO MR. PAGE, REGARDING THE SECTION 404 PROGRAM

Question 1. What is the status of the memorandum of agreement on enforcement of the Section 404 program?

Answer. EPA and Corps staff have about reached full agreement on the enforcement memorandum of agreement. I expect it will be forwarded for my review and approval in January, 1988.

Question 2. Will that agreement be directed toward ensuring that the Corps and the EPA are aware of each other's enforcement actions and not toward dividing enforcement responsibility between the two agencies?

Answer. We do hope to reduce duplications and improve the effectiveness of enforcing the program by better defining respective roles. As you know Congress divided the administrative civil penalty authority in the 1987 Clean Water Act amendments between EPA for unpermitted discharges and Army for violations of permit conditions. The agreement will attempt to maximize the best use of that split authority. It will also ensure that the Corps and EPA are aware of each other's enforcement actions.

Question 3. Will that agreement make a class of violators the sole responsibility of one agency?

Answer. The agreement will generally provide for the Corps to enforce against violations of permit conditions. Because of EPA's limited resources, the Corps will perform most of the investigative work on unpermitted discharges including the issuance of cease and desist orders and orders for immediate corrective action. EPA may also choose to completely handle an enforcement action against an unpermitted discharge including the initial investigation. If either agency believes an administrative penalty is appropriate, the case will be forwarded to EPA. The Corps has administrative penalty authority only for violations of issued permits. EPA has that authority for unpermitted discharges.

Question 4. Will that agreement bind either agency by its counterpart's decision not to take enforcement action against a class of dischargers or a particular discharger?

Answer. No.

Question 5. What is the status of interagency discussions on mitigation and interpretation of the 404(b)(1) Guidelines?

Answer. Mitigation is an important aspect of the 404 program. I know there has been a lot of controversy over mitigation policy and I hope that I can reduce the level of conflict. A working group was established in January, 1987 to develop guidance on implementing the mitigation requirements of the 404(b)(1) Guidelines. The working group has representatives from the Corps, EPA, Fish and Wildlife Service, and National Marine Fisheries Service. I understand that the working group has made considerable progress towards a joint policy statement. However, I also understand that there are some issues that the Corps and EPA staff have been unable to resolve. The working group plans to establish a final draft policy statement as a result of their efforts and forward it to the Assistant Secretary of the Army (Civil Works) and the Assistant Administrator for Water for resolution of the remaining issues. I look forward to productive discussions on this important issue.

There are several other areas of policy interpretation under the 404(b)(1) Guidelines in which discussions are occurring between Army and EPA. These discussions have been occurring at the Assistant Secretary level between representatives from Army, EPA, OMB, the Department of the Interior, and the Department of Justice. Progress is being made toward resolution in these discussions as well. However, I understand that there remains uncertainty on when any policy statements will result.

Question 6. Will you consult with this Committee before signing any interagency policy or agreement on mitigation and interpretation of the 404(b)(1) Guidelines?

Answer. Please be assured that I will keep your Committee informed of significant developments on these issues and will consult with the Committee as appropriate.

[Whereupon, at 11:04 a.m., the committee proceeded to other matters.]

[The following statement was submitted for inclusion in the record:]

AMERICAN SOCIETY OF CIVIL ENGINEERS,
WASHINGTON OFFICE,
Washington, DC, December 1, 1987.

Hon. QUENTIN BURDICK, *Chairman,*
Committee on Environment and Public Works,
Washington, DC.

DEAR CHAIRMAN BURDICK: On behalf of the 100,000 members of the American Society of Civil Engineers (ASCE), I respectfully urge the Committee to approve and recommend to the Senate the confirmation of Robert W. Page, Sr. to be Assistant Secretary of the Army for Civil Works.

Robert Page has many years of experience in the engineering and construction field, making him eminently qualified to oversee the civil works program of the U.S. Army Corps of Engineers. Additionally, his considerable international experience would complement the activities of the Corps.

As an engineer and executive possessing vast knowledge, expertise, and experience, Robert Page's nomination is most worthy of the Committee's approval. I respectfully request that this letter be entered into the hearing record.

Sincerely,

ALBERT A. GRANT, P.E.,
President.

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